

R590. Insurance, Administration. Effective 5-1-98**R590-141. Individual and Agency License Lapse and Reinstatement Rule.****R590-141-1. Authority.**

This rule is promulgated pursuant to Subsections 31A-23-216(3) and 31A-26-213(3), that authorize the commissioner to write a rule prescribing license renewal and reinstatement procedures for licensees under Chapters 23 and 26.

R590-141-2. Scope.

This rule applies to all individuals and agencies previously licensed under this chapter who did not renew their license on or prior to the license expiration date.

R590-141-3. Rule.

A. The individual and agency license renewal process shall be as follows:

(1) Renewal notices shall be mailed to the licensee's business address as shown on the records of the Insurance Department. Licensees who fail to notify the department when their business address changes may face administrative penalties.

(2) Licenses shall lapse if they are not renewed on or prior to the license expiration date.

(3) Individuals and agencies with lapsed licenses may not engage in the business of insurance during any period between the date of expiration of the license and the date of reinstatement of that license.

(4) Lapsed licenses can be reinstated subject to the provisions outlined below.

B. Reinstatement of Lapsed Individual Licenses.

(1) For reinstatement within the first month following the license expiration date:

(a) the individual shall complete all continuing education requirements;

(b) the individual shall pay all current and past due fees - renewal, continuing education, etc;

(c) the individual shall pay a penalty fee equal to the renewal fee; and

(d) no agency designations or appointments shall be canceled nor will agencies and insurers be notified of the non-renewal during this one month period.

(2) For reinstatement during the time between one and six months following the license expiration date, the individual shall:

(a) complete all continuing education requirements;

(b) pay all current and past due fees - renewal, continuing education, etc;

(c) pay a penalty fee equal to the renewal fee; and

(d) complete new producer contracts, new agency designations and new insurer appointments before the reinstated licensee can resume doing business. Agencies and insurers will have been notified that the licensee's license had lapsed.

(3) For reinstatement during the time between seven months and 12 months following the license expiration date, the individual shall:

(a) complete all continuing education requirements;

(b) pay all current and past due fees - renewal, continuing education, etc;

(c) pay a penalty fee equal to the renewal fee plus \$50; and

(d) complete new producer contracts, new agency designations and new insurer appointments before the reinstated licensee can resume doing business. Agencies and insurers will have been notified that the licensee's license lapsed.

(4) For reinstatement during the time between 13 months and 24 months following the license expiration date, the individual shall:

- (a) complete all continuing education requirements;
- (b) pay all current and past due fees - renewal, continuing education, etc;
- (c) take and successfully pass the proper agent licensing examination;
- (d) pay a penalty fee equal to the renewal fee. If the applicant is exempt from licensing examination, the applicant shall pay a penalty fee equal to the renewal fee plus \$75; and

(e) complete new producer contracts, new agency designations and new insurer appointments before the reinstated licensee can resume doing business. Agencies and insurers will have been notified that the licensee's license lapsed.

(5) A license that has not been reinstated within 24 months following its expiration date cannot be reinstated. An application for a new license must be made and the applicant must comply with all the requirements applicable to a new license.

C. Reinstatement of Lapsed Agency Licenses.

(1) For reinstatement within the first month following the license expiration date:

- (a) the agency shall pay all current and past due fees - renewal, etc;
- (b) the agency shall pay a penalty fee equal to the renewal fee; and
- (c) No agency designations or insurer appointments shall be canceled nor will agency designees and insurers be notified of the non-renewal during this one month period.

(2) For reinstatement during the time between one and 24 months following the license expiration date, the agency shall:

- (a) pay all current and past due fees - renewal, etc; - and
- (b) pay a penalty fee equal to the renewal fee plus \$50.
- (c) complete new contracts and appointments with insurers and new designations for agents representing the agency before the reinstated licensee can resume doing business. Designees and insurers will have been notified that the licensee's license lapsed.

(3) A license that has not been reinstated within 24 months following its expiration date cannot be reinstated. An application for a new license must be made and the applicant must comply with all the requirements applicable to a new license.

(4) In the event an agency fails to renew or reinstate its license within the prescribed time, the name of the agency shall not be available for use for a period of three years from the date the license lapsed.

R590-141-4. Severability.

If any provision or clause of this rule or its application to any person or situation is held invalid, such invalidity may not affect any other provision or application of this rule which can be given effect without the invalid provision or application, and to this end the provisions of this rule are declared to be severable.

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